



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
GREENUP COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2000**

**EDWARD B. HATCHETT, JR.  
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## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE GREENUP COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2000**

The Auditor of Public Accounts has completed the Greenup County Fiscal Court audit for fiscal year ended June 30, 2000. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

#### **Financial Condition:**

Fund balances decreased by \$257,011 from the prior fiscal year, resulting in a cash surplus of \$1,995,032 as of June 30, 2000. Revenues decreased by \$1,022,612 from the prior year and disbursements decreased by \$373,652.

#### **Debt Obligations:**

Total bonded debt principal as of June 30, 2000, was \$2,285,000. Future collections of \$1,685,289 are needed over the next 12 years to pay all bonded debt principal and interest.

#### **Deposits:**

The fiscal court's deposits were insured and collateralized by bank securities or bonds.



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## Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

Kevin Flanery, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Robert W. Carpenter, Greenup County Judge/Executive

Members of the Greenup County Fiscal Court

### Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Greenup County, Kentucky, as of June 30, 2000, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Greenup County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Greenup County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years. The modified cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Greenup County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 2000, in conformity with the modified cash basis of accounting described above.

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Mike Haydon, Secretary, Revenue Cabinet  
Honorable Robert W. Carpenter, Greenup County Judge/Executive  
Members of the Greenup County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated February 16, 2001 on our consideration of Greenup County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
February 16, 2001



GREENUP COUNTY OFFICIALS

Fiscal Year Ended June 30, 2000

**Fiscal Court Members:**

Robert W. Carpenter	County Judge/Executive
Tony Quillen	Commissioner
Allen Reed	Commissioner
Nelson Allen	Commissioner

**Other Elected Officials:**

Michael C. Wilson	County Attorney
Jim Womack	Jailer
Donald L. Davidson	County Clerk
Jim Garthee, Jr.	Circuit Court Clerk
Keith M. Cooper	Sheriff
Bill Clarey	Property Valuation Administrator
Robert Greene	Coroner

**Appointed Personnel:**

Carol Vinson	County Treasurer
Connie Madden	Payroll Officer

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STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS



GREENUP COUNTY  
STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 2000

Assets and Other Resources

Assets

General Fund Type

General Fund:		
Cash	\$	28,434
Investments		57,186
Road and Bridge Fund:		
Cash		5,118
Investments		197,161
Jail Fund:		
Cash		67,094
Local Government Economic Assistance Fund:		
Cash		8,781
Landfill Escrow Fund:		
Cash		25,530
Investments		398,257
Public Defender Fund:		
Cash		4,802
Local Government Economic Development Fund:		
Cash		1,138
		\$ 793,501

Special Revenue Fund Type

State Grants Fund:		
Cash	\$	2,576
Investments		569,417
Federal Grants Fund:		
Cash		10,074
Revolving Loan Fund:		
Cash		19,753
		601,820

Debt Service Fund Type

Public Properties Corporation Fund:		
Cash	\$	41
Investments		599,670
		599,711

The accompanying notes are an integral part of the financial statements.

GREENUP COUNTY  
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 June 30, 2000  
 (Continued)

Assets and Other Resources (Continued)

Other Resources

Special Revenue Fund Type

Revolving Loan Fund:

Note Receivable (Note 4)	\$	206,768
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Debt Service Fund Type

Public Properties Corporation Fund:

Amounts to be Provided in Future Years for Bond Payments- 1997 Issue		1,685,289
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Total Assets and Other Resources		\$ 3,887,089
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Liabilities and Fund Balances

Liabilities

Special Revenue Fund Type

Revolving Loan Fund:

Deferred Revenue (Note 4)	\$	206,768
---------------------------	----	---------

Debt Service Fund Types

Public Properties Corporation Fund:

1997 Refunding Issue-Bond Principal Not Matured (Note 5)		2,285,000
--	--	-----------

Fund Balances

Reserved:

General Fund Type

Local Government Economic Assistance Fund	\$	8,781	
Public Defender Fund		4,802	
Local Government Economic Development Fund		1,138	14,721

The accompanying notes are an integral part of the financial statements.

GREENUP COUNTY  
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 June 30, 2000  
 (Continued)

Fund Balances (Continued)

Reserved: (Continued)

Special Revenue Fund Type

State Grants Fund	\$	571,993	
Federal Grants Fund		10,074	
Revolving Loan Fund		<u>19,753</u>	\$ 601,820

Unreserved:

General Fund Type

General Fund	\$	85,620	
Road and Bridge Fund		202,279	
Jail Fund		67,094	
Landfill Escrow Fund		<u>423,787</u>	<u>778,780</u>

Total Liabilities and Fund Balances			<u><u>\$ 3,887,089</u></u>
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The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

GREENUP COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 2000

	General Fund Type			
	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 3,805,619	\$ 882,546	\$ 958,816	\$ 591,106
Transfers In	726,871	53,000		407,000
Kentucky Advance Revenue Program	1,064,900	835,200	229,700	
Total Cash Receipts	<u>\$ 5,597,390</u>	<u>\$ 1,770,746</u>	<u>\$ 1,188,516</u>	<u>\$ 998,106</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 4,562,457	\$ 1,175,956	\$ 898,324	\$ 1,037,063
Schedule of Public Properties Corporation Fund Expenditures	73,925			
Transfers Out	726,871	673,871	53,000	
Bonds:				
1997 Refunding Issue-				
Principal Paid	140,000			
Interest Paid	121,448			
Kentucky Advance Revenue Program Repaid	1,064,900	835,200	229,700	
Total Cash Disbursements	<u>\$ 6,689,601</u>	<u>\$ 2,685,027</u>	<u>\$ 1,181,024</u>	<u>\$ 1,037,063</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (1,092,211)	\$ (914,281)	\$ 7,492	\$ (38,957)
Cash Balance - July 1, 1999*	2,252,043	164,701	194,787	106,051
Cash Balance - June 30, 2000*	<u>\$ 1,159,832</u>	<u>\$ (749,580)</u>	<u>\$ 202,279</u>	<u>\$ 67,094</u>

\* Cash Balance Includes Investments

\*\* Amount adjusted due to miscalculation in prior year

The accompanying notes are an integral part of the financial statements.

GREENUP COUNTY  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN CASH BALANCES  
 Fiscal Year Ended June 30, 2000  
 (Continued)

General Fund Type			Special Revenue Fund Type		
Local Government Economic Assistance Fund	Landfill Escrow Fund	Public Defender Fund	Local Government Economic Development Fund	State Grants Fund	Federal Grants Fund
\$ 3,850	\$ 449,789	\$ 51,033 21,000	\$ 365,097	\$ 34,862	\$ 383,050
\$ 3,850	\$ 449,789	\$ 72,033	\$ 365,097	\$ 34,862	\$ 383,050
\$	\$ 355,488	\$ 73,881	\$ 363,960	\$ 44,891	\$ 378,528
\$ 0	\$ 355,488	\$ 73,881	\$ 363,960	\$ 44,891	\$ 378,528
\$ 3,850 4,931	\$ 94,301 329,486	\$ (1,848) 6,650	\$ 1,137 1	\$ (10,029) 582,022	\$ 4,522 5,552
\$ 8,781	\$ 423,787	\$ 4,802	\$ 1,138	\$ 571,993	\$ 10,074

The accompanying notes are an integral part of the financial statements.

GREENUP COUNTY  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN CASH BALANCES  
 Fiscal Year Ended June 30, 2000  
 (Continued)

	Special Revenue Fund Type	Debt Service Fund Type
	Revolving Loan Fund	Public Properties Corporation Fund
<u>Cash Receipts</u>		
Schedule of Operating Revenue	\$ 50,718	\$ 34,752
Transfers In		245,871
Kentucky Advance Revenue Program		
Total Cash Receipts	<u>\$ 50,718</u>	<u>\$ 280,623</u>
<u>Cash Disbursements</u>		
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 234,366	\$
Schedule of Public Properties Corporation Fund Expenditures		73,925
Transfers Out		
Bonds:		
1997 Refunding Issue-		
Principal Paid		140,000
Interest Paid		121,448
Kentucky Advance Revenue Program Repaid		
Total Cash Disbursements	<u>\$ 234,366</u>	<u>\$ 335,373</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (183,648)	\$ (54,750)
Cash Balance - July 1, 1999*	<u>203,401</u>	<u>654,461</u> **
Cash Balance - June 30, 2000*	<u><u>\$ 19,753</u></u>	<u><u>\$ 599,711</u></u>

\* Cash Balance Includes Investments

\*\* Amount adjusted due to miscalculation in prior year

The accompanying notes are an integral part of the financial statements.

GREENUP COUNTY  
NOTES TO FINANCIAL STATEMENTS

June 30, 2000

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Greenup County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Greenup County Public Properties Corporation Fund as part of the reporting entity.

Additional - Greenup County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Greenup County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Greenup County Fiscal Court's Fund Types, a definition of each, and county funds included within each fund type are listed below.

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Greenup County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, Local Government Economic Assistance Fund (LGEA), Landfill Escrow Fund, Public Defender Fund, and the Local Government Economic Development Fund.

GREENUP COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

2) Special Revenue Fund Type

Special Revenue Fund Type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for the specified purpose. The State Grants Fund, Federal Grants Fund, and the Revolving Loan Fund of the Fiscal Court are reported as Special Revenue Fund Types.

3) Debt Service Fund Type

Debt Service Fund Type accounts for the accumulation of resources for the payment of general long-term debt principal and interest and include funds for the Public Properties Corporation Fund. Debt service is provided through annual transfers from the General Fund Type in the amount of the debt service requirements for the year.

C. Basis of Accounting

For all fund types, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years.

D. Legal Compliance - Budget

The Greenup County budget is adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

Formal budgets are not adopted for the Debt Service Fund Type because bond indentures and other relevant contractual provisions require specific payments to and from this annually and transfers are budgeted in the General Fund Type to comply with these requirements. The Department for Local Government does not require this fund to be budgeted.

GREENUP COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement System. This is a multiple-employer public retirement system, which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.28 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement System's annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 2000, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bonds which named the county as beneficiary/obligee on the bonds.

GREENUP COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 4. Note Receivable

The county's Revolving Loan Fund loaned \$235,000 to R&D Associates, Inc. on June 8, 1998. Terms of the agreement stipulate 30 quarterly payments in the amount of \$7,481 commencing October 10, 1998. Interest is at the rate of 5% per annum. During fiscal year ending June 30, 2000, payments were as much as two quarters behind schedule. These delinquent quarterly payments were made in November 2000. R&D Associates, Inc. is now in substantial compliance with the loan agreement. The principal balance as of June 30, 2000, was \$206,768.

Note 5. Long-Term Debt

On September 1, 1997, the Greenup County Public Properties Corporation issued \$2,745,000 of First Mortgage Refunding Revenue Bonds, Series 1997 for the purpose of defeasing the 1990 Bond Series Issue. The 1990 bonds were originally issued to finance the construction of the Greenup County Courthouse Annex and Detention Center Project. The Refunding Bonds dated September 1, 1997, require that two semiannual interest payments be made on March 1 and September 1 of each year commencing March 1, 1998. Principal payments are due on March 1 of each year commencing March 1, 1998. The bonds will mature March 1, 2012. As of June 30, 2000, the principal balance remaining was \$2,285,000. Bond payments for the next five years are:

Fiscal Year	Interest Rates	Scheduled Interest	Principal Amount
2000-2001	4.75%	\$ 114,798	\$ 140,000
2001-2002	4.75%	108,148	150,000
2002-2003	4.75%	101,022	160,000
2003-2004	4.75%	93,422	165,000
2004-2005	4.75%	85,420	175,000
Remaining	4.75%	326,937	1,495,000
Totals		<u>\$ 829,747</u>	<u>\$ 2,285,000</u>

Note 6. Lease-Purchase Agreements

The county has entered into the following lease-purchase agreements:

Item Purchased	Monthly Payment	Term of Agreement	Ending Date	Balance as of 6/30/00
Voting Machines	Variable	10 Years	02/01/2002	\$ 37,322
Equipment	Variable	5 Years	02/01/2002	\$ 23,298



GREENUP COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2000  
(Continued)

Note 7. Jail Canteen Fund

Jail Canteen operations are authorized under KRS 441.135(1)(2), which allows the Jailer to sell snacks, sodas, cigarettes, etc. to inmates incarcerated in the local jail. The profits generated from the sale of these items are to be used for the benefit or recreation of the inmates. Also applicable to Canteen operations are KRS 68.210, and Technical Audit Bulletins 93-002 and 97-001. KRS 68.210 requires the Jailer to maintain minimum accounting records and report annually to the County Treasurer the receipts and disbursements of the Jail Canteen. Technical Audit Bulletins 93-002 and 97-001 provide further accounting and expenditure guidance for acceptable Jail Canteen operations.

During the calendar year ending December 31, 1999, the Greenup County Jail Canteen received \$81,386 and expended \$79,547. The Jail Canteen reported December 31, ending balances of \$46,217 and of \$48,056 for 1998 and 1999 respectively.

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COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE



GREENUP COUNTY  
COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 2000

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
<u>General Fund Type</u>			
General Fund	\$ 2,401,110	\$ 1,717,746	\$ (683,364)
Road and Bridge Fund	1,161,400	958,816	(202,584)
Jail Fund	520,470	591,106	70,636
Local Government Economic Assistance Fund	1,000	3,850	2,850
Landfill Escrow Fund	370,000	449,789	79,789
Public Defender Fund	46,800	51,033	4,233
Local Government Economic Development Fund	398,323	365,097	(33,226)
<u>Special Revenue Fund Type</u>			
State Grants Fund	2,000	34,862	32,862
Federal Grants Fund	1,131,000	383,050	(747,950)
Revolving Loan Fund	60,400	50,718	(9,682)
Totals	<u>\$ 6,092,503</u>	<u>\$ 4,606,067</u>	<u>\$ (1,486,436)</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 6,092,503
Add: Budgeted Prior Year Surplus			\$ 1,698,506
Less: Other Financing Uses			<u>(1,310,771)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 6,480,238</u>

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SCHEDULE OF OPERATING REVENUE





GREENUP COUNTY  
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 2000

Revenue Categories	GOVERNMENTAL FUND TYPE			
	Totals (Memorandum Only)	General Fund Type	Special Revenue Fund Type	Debt Service Fund Type
Taxes	\$ 1,269,303	\$ 1,269,303	\$	\$
Excess Fees	92,530	92,530		
License and Permits	466,861	466,861		
Intergovernmental Revenues	2,396,953	2,051,453	345,500	
Charges for Services	78,777	78,777		
Miscellaneous Revenues	166,274	93,805	72,469	
Interest Earned	170,121	84,708	50,661	34,752
Total Operating Revenue	<u>\$ 4,640,819</u>	<u>\$ 4,137,437</u>	<u>\$ 468,630</u>	<u>\$ 34,752</u>

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COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES



GREENUP COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 2000

Expenditure Categories	GENERAL FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 657,822	\$ 657,185	\$ 637
Protection to Persons and Property	882,361	869,448	12,913
General Health and Sanitation	150,278	123,911	26,367
Social Services	73,658	73,538	120
Roads	1,260,526	979,323	281,203
Debt Service	59,121	54,900	4,221
Capital Projects	398,323	363,960	34,363
Administration	999,197	748,836	250,361
Total Operating Budget - All General Fund Types	\$ 4,481,286	\$ 3,871,101	\$ 610,185
Other Financing Uses:			
Transfers to Public Properties			
Corporation Fund-			
Principal	140,000	140,000	
Interest	105,871	105,871	
Borrowed Money-			
Kentucky Advanced Revenue Program - Principal	1,064,900	1,064,900	
TOTAL BUDGET - ALL GENERAL FUND TYPES	<u>\$ 5,792,057</u>	<u>\$ 5,181,872</u>	<u>\$ 610,185</u>

GREENUP COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 2000  
 (Continued)

Expenditure Categories	SPECIAL REVENUE FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 275,280	\$ 249,913	\$ 25,367
Protection to Persons and Property	15,000	345	14,655
General Health and Sanitation	908,500	14,688	893,812
Recreation and Culture	52,452	12,610	39,842
Other Transportation Facilities and Services	311,000	66,760	244,240
Capital Projects	320,000	311,768	8,232
Administration	116,720	1,701	115,019
TOTAL BUDGET - SPECIAL REVENUE FUND TYPE	<u>\$ 1,998,952</u>	<u>\$ 657,785</u>	<u>\$ 1,341,167</u>

SCHEDULE OF PUBLIC PROPERTIES CORPORATION FUND EXPENDITURES





GREENUP COUNTY  
SCHEDULE OF PUBLIC PROPERTIES CORPORATION FUND EXPENDITURES

Fiscal Year Ended June 30, 2000

<u>Expenditure Items</u>	<u>Amounts</u>
Purchase of Building	\$ 70,000
Miscellaneous Expenses	3,205
Trustee Fees	<u>3,145</u>
Total Expenditures	<u>\$ 76,350</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





Edward B. Hatchett, Jr.  
Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

Kevin Flanery, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Robert W. Carpenter, Greenup County Judge/Executive

Members of the Greenup County Fiscal Court

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Greenup County, Kentucky, as of and for the year ended June 30, 2000, and have issued our report thereon dated February 16, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Greenup County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Greenup County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
February 16, 2001

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133







Edward B. Hatchett, Jr.  
Auditor of Public Accounts

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Mike Haydon, Secretary, Revenue Cabinet  
Honorable Robert W. Carpenter, Greenup County Judge/Executive  
Members of the Greenup County Fiscal Court

Report On Compliance With Requirements  
Applicable To Each Major Program And Internal Control  
Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Greenup County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. Greenup County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Greenup County's management. Our responsibility is to express an opinion on Greenup County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Greenup County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Greenup County's compliance with those requirements.

In our opinion, Greenup County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Report On Compliance With Requirements  
Applicable To Each Major Program And Internal Control  
Over Compliance In Accordance With OMB Circular A-133  
(Continued)

Internal Control Over Compliance

The management of Greenup County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Greenup County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, federal awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than the specified parties. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,



Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
February 16, 2001

## FINDINGS AND QUESTIONED COSTS



GREENUP COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Greenup County.
2. No reportable conditions disclosed during the audit of the financial statements are reported in the Independent Auditor's Report.
3. No instances of noncompliance material to the financial statements of Greenup County were disclosed during the audit.
4. No reportable condition disclosed during the audit of the major federal awards programs is reported in the Independent Auditor's Report.
5. The auditor's report on compliance for the audit of the major federal awards programs for Greenup County expresses an unqualified opinion.
6. Audit findings relative to the major federal awards programs for Greenup County are reported in Part C of this schedule.
7. The programs tested as major programs were: Community Development Block Grant CFDA #14.228 and Federal Emergency Management Agency Grant CFDA #83.544
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Greenup County was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

None.

NONCOMPLIANCES

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM  
AUDIT

None.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS





GREENUP COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2000

Federal Grantor Program Title	Pass-Through Grantor's Number	<u>Expenditures</u>
<u>Grant Name (CFDA #)</u>		
Cash Programs:		
<u>U.S. Department of Housing and Urban Development</u>		
Passed-Through State Department of Local Government:		
Community Development Block Grants- Riverport Industrial Development (CFDA #14.228) (Note 2)	B-97-DC-21-0001(045)	\$ 246,991
<u>U.S. Department of the Interior</u>		
Passed-Through State Department of Natural Resources:		
Abandoned Mine Land Reclamation Programs- Rockhouse Water Project (CFDA #15.252)	MA-19246-FMAOE-415-04	64,778
<u>U.S. Department of Transportation</u>		
Passed-Through State Justice Cabinet:		
Highway Planning and Construction- McConnell House Restoration (CFDA #20.205)	FD-52-C-99016538	53,408
<u>U. S. Federal Emergency Management Agency</u>		
Passed-Through State Department of Military Affairs:		
Disaster and Emergency Assistance Grants- March 1997 Severe Weather (CFDA #83.544)	FEMA-1163-DR-KY	1,812
February 2000 Severe Weather (CFDA #83.544)	DR-1320-KY	252,989
Total Cash Expenditures of Federal Awards		<u>\$ 619,978</u>

GREENUP COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2000

Note 1 - Basis of Presentation

This schedule is presented on a cash basis.

Note 2 - As required by this grant agreement, all program moneys received by the recipient after the completion of all recipient grant activities shall be used by the recipient for community or economic development activities eligible for assistance under Title I of the Housing and Community Development Act of 1974, so specified in the Commonwealth of Kentucky's Community Development Block Grant Eligible Activities Policy Statement.

CERTIFICATION OF COMPLIANCE –  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

GREENUP COUNTY FISCAL COURT

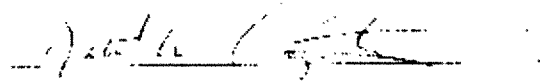
Fiscal Year Ended June 30, 2000



**CERTIFICATION OF COMPLIANCE**  
**LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS**  
**GREENUP COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 2000

The Greenup County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program and Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



County Judge/Executive



County Treasurer